

BOROUGH OF MERCHANTVILLE, NEW JERSEY

ORDINANCE 13-10

BOND ORDINANCE AUTHORIZING SUPPLEMENTAL FUNDING FOR THE COMPLETION OF CERTAIN IMPROVEMENTS TO THE SANITARY SEWER SYSTEM IN THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$570,000 THEREFOR; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$570,000; MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING

BE IT ORDAINED by the Borough Council of the Borough of Merchantville, County of Camden, New Jersey (not less than two-thirds of all the members thereof affirmatively concurring), pursuant to the provisions of the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"), as follows:

Section 1. The purposes described in Section 7 hereof are hereby authorized as general improvements to be made or acquired by the Borough of Merchantville, County of Camden, New Jersey ("Borough").

Section 2. It is hereby found, determined and declared as follows:

- (a) the estimated amount to be raised by the Borough from all sources for the purposes stated in Section 7 hereof is \$570,000; and
- (b) the estimated amount of bonds or bond anticipation notes to be issued for the purposes stated in Section 7 hereof is \$570,000.

Section 3. The sum of \$570,000, to be raised by the issuance of bonds or bond anticipation notes is hereby appropriated for the purposes stated in this bond ordinance ("Bond Ordinance").

Section 4. The issuance of negotiable bonds of the Borough in an amount not to exceed \$570,000 to finance the costs of the purposes set forth in Section 7 hereof, is hereby authorized. Said bonds shall be sold in accordance with the requirements of the Local Bond Law. All or a portion of the bonds authorized to be issued hereunder may evidence one (1) or more loans

from the New Jersey Environmental Infrastructure Trust and/or the New Jersey Department of Environmental Protection.

Section 5. In order to temporarily finance the purposes described in Section 7 hereof, the issuance of bond anticipation notes of the Borough in an amount not to exceed \$570,000 is hereby authorized. Pursuant to the Local Bond Law, the Chief Financial Officer is hereby authorized to sell part or all of the bond anticipation notes from time to time at public or private sale and to deliver the same to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their date to delivery thereof. The Chief Financial Officer is hereby directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the bond anticipation notes pursuant to this Bond Ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 6. The amount of the proceeds of the obligations authorized by this Bond Ordinance which may be used for the payment of interest on such obligations, accounting, engineering, legal fees and other items as provided in Section 20 of the Local Bond Law, *N.J.S.A. 40A:2-20*, shall not exceed the sum of \$100,000.

Section 7. The improvements hereby authorized and the purposes for which said obligations are to be issued; the estimated costs of each said purpose; the amount of down payment for each said purpose; the maximum amount of obligations to be issued for each said purpose and the period of usefulness of each said purpose within the limitations of the Local Bond Law are as follows:

<u>Purpose/Improvement</u>	<u>Estimated Total Cost</u>	<u>Down Payment</u>	<u>Amount of Obligations</u>	<u>Period of Usefulness</u>
A. Completion of Various Improvements to the Borough's Sanitary Sewer System originally financed through Bond Ordinance 08-12 including, but not limited to, the Rehabilitation, Reconstruction and/or Replacement of Sewerage Conveyance Lines and Manholes throughout the Borough, together with the acquisition of all materials and equipment and completion of all work necessary project necessary therefor or related thereto all as more particularly described in the information prepared by the Borough's Consulting Engineer, on file and available for inspection in the office of the Borough Clerk.	\$570,000	\$0	\$570,000	40 years

Section 8. Grants or other monies received from any governmental entity, if any, will be applied to the payment of, or repayment of obligations issued to finance, the costs of the purposes described in Section 7. above.

Section 9. The supplemental debt statement provided for in Section 9 of the Local Bond Law, *N.J.S.A. 40A:2-10*, was duly filed in the office of the Borough Clerk prior to the

passage of this Bond Ordinance on first reading and a complete executed duplicate original thereof has been filed in the Office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. The supplemental debt statement shows that the gross debt of the Borough, as defined in Section 43 of the Local Bond Law, *N.J.S.A. 40A:2-43*, is increased by this Bond Ordinance by \$570,000 and that the obligations authorized by this Bond Ordinance will be within all debt limitations prescribed by said Local Bond Law.

Section 10. The full faith and credit of the Borough are irrevocably pledged to the punctual payment of the principal of and interest on the bonds or bond anticipation notes authorized by this Bond Ordinance, and to the extent payment is not otherwise provided, the Borough shall levy *ad valorem* taxes on all taxable real property without limitation as to rate or amount for the payment thereof.

Section 11. The Capital Budget is hereby amended to conform with the provisions of this Bond Ordinance to the extent of any inconsistency therewith, and the resolution promulgated by the Local Finance Board showing full detail of the amended Capital Budget and Capital Program as approved by the Director of the Division of Local Government Services, is on file with the Borough Clerk and available for inspection.

Section 12. The Borough hereby declares its intent to reimburse itself from the proceeds of the bonds or bond anticipation notes authorized by this Bond Ordinance pursuant to Income Tax Regulation Section 1.150-2(e), promulgated under the Internal Revenue Code of 1986, as amended ("Code"), for "original expenditures", as defined in Income Tax Regulation Section 1.150-2(c)(2), made by the Borough prior to the issuance of such bonds or bond anticipation notes.

Section 13. The Borough hereby covenants as follows:

(a) it shall take all actions necessary to ensure that the interest paid on the bonds or bond anticipation notes authorized by the Bond Ordinance is exempt from the gross income of the owners thereof for federal income taxation purposes, and will not become a specific item of tax preference pursuant to Section 57(a)(5) of the Code;

(b) it will not make any use of the proceeds of the bonds or bond anticipation notes or do or suffer any other action that would cause the bonds or bond anticipation notes to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder;

(c) it shall calculate or cause to be calculated and pay, when due, the rebatable arbitrage with respect to the "gross proceeds" (as such term is used in Section 148(f) of the Code) of the bonds or bond anticipation notes;

(d) it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and

(e) it shall take no action that would cause the bonds or bond anticipation notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 14. The improvements authorized hereby are not current expenses and are improvements that the Borough may lawfully make. No part of the cost of the improvements

authorized hereby has been or shall be specially assessed on any property specially benefited thereby.

Section 15. All ordinances, or parts of ordinances, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 16. In accordance with the Local Bond Law, this Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final passage.

Date of Introduction: _____

Date of Final Adoption: _____

THE BOROUGH OF MERCHANTVILLE

BY: _____
FRANK M. NORTH, MAYOR

ATTEST:

DENISE L. BROUSE, BOROUGH CLERK

Notice of Pending Bond Ordinance and Summary

The bond ordinance, the summary terms of which are included herein, was introduced and passed upon first reading at a meeting of the Mayor and Borough Council of the Borough of Merchantville, in the County of Camden, State of New Jersey, on April 22, 2013. It will be further considered for final passage, after public hearing thereon, at a meeting of the Mayor and Borough Council of the Borough of Merchantville to be held at the Merchantville Borough Municipal Building, 1 West Maple Avenue, Merchantville, New Jersey, on May 13, 2013 at 7:30 o'clock PM. During the week prior to and up to and including the date of such meeting copies of the full ordinance will be available at no cost and during regular business hours, at the Borough Clerk's office for the members of the general public who shall request the same. The summary of the terms of such bond ordinance follows:

Title: **BOND ORDINANCE AUTHORIZING SUPPLEMENTAL FUNDING FOR THE COMPLETION OF CERTAIN IMPROVEMENTS TO THE SANITARY SEWER SYSTEM IN THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$570,000 THEREFOR; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$570,000; MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING**

<u>Purpose/Improvement</u>	<u>Estimated Total Cost</u>	<u>Down Payment</u>	<u>Amount of Obligations</u>	<u>Period of Usefulness</u>
A. Completion of Various Improvements to the Borough's Sanitary Sewer System originally financed through Bond Ordinance 08-12 including, but not limited to, the Rehabilitation, Reconstruction and/or Replacement of Sewerage Conveyance Lines and Manholes throughout the Borough, together with the acquisition of all materials and equipment and completion of all work necessary project necessary therefor or related thereto all as more particularly described in the information prepared by the Borough's Consulting Engineer, on file and available for inspection in the office of the Borough Clerk.	\$570,000	\$0	\$570,000	40 years

Appropriation: \$570,000
Bonds/Notes Authorized: \$570,000
Grants (if any) Appropriated: None
Section 20 Costs: \$100,000
Useful Life: 40.00 years

DENISE BROUSE, Borough Clerk

This Notice is published pursuant to *N.J.S.A. 40A:2-17*.

Bond Ordinance Statements and Summary

The bond ordinance, the summary terms of which are included herein, has been finally adopted by the Mayor and Borough Council of the Borough of Merchantville, in the County of Camden, State of New Jersey on May 13, 2013 and the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. The summary of the terms of such bond ordinance follows:

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DENISE BROUSE, Borough Clerk

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